

Headline	Expert: Elimination of GST akin to supporting tax cheating		
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Expert: Elimination of GST akin to supporting tax cheating

KUALA LUMPUR: The proposal to eliminate the Goods and Services Tax (GST) by Pakatan Harapan will support the “cheating” of tax payments, independent political analyst Hoo Ke Ping said.

“With the Sales and Services Tax (SST), the collection was about RM18 billion, while the GST’s collection amounted to RM48 billion.

“So, the difference of RM30 billion was actually taxes that should have been paid by businesses, but have somehow managed to escape from doing so.

“If the GST is eliminated, it will be RM30 billion of the people’s money that could have been better used for infrastructure development in the country,” Hoo told the *Business Times* yesterday.

He was commenting on Pakatan’s Alternative 2018 Budget, which claimed that it would not only cover the revenue loss by eliminating GST, but record a RM6 billion surplus.

The opposition coalition estimated a net loss of RM25.5 billion next year in eliminating GST and reverting to pre-GST numbers.

It said the losses could be covered by increased revenue from corporate income tax due to a consumption boom.

Hoo said it was easier said than done as Pakatan Harapan was not governing the country.

“If you ask me, this is just a move to sabotage the GST’s im-



Dr Irwan Shah Zainal Abidin *Hoo Ke Ping*

plementation as Pakatan has most to gain from it.

“Look at the track record of the states under their rule. It is even worse there.

“There are many instances where the Federal Government is funding the projects in the states governed by Pakatan, and federal agencies or businesses have to pay the states.”

Universiti Utara Malaysia Asian Research Institute of Banking and Finance (Aribf) director Dr Irwan Shah Zainal Abidin refuted claims that GST only benefited the rich.

From 2009 to 2014, Irwan said, the average household income of the B40 group had increased by 76 per cent, whereas for the M40 group, the increase was almost 60 per cent.

“Applying the Gini Coefficient Index (GNI), Malaysia’s GNI has improved to 0.399 last year from 0.401 in 2014.

>> Turn to Page 12

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'Inequality has been reduced, but people want back the old system'

>> **From Page 6**

"GNI measures income inequality ranging from 0 to 1, where 0 is absolute equality and 1 is complete inequality.

"And the data also says otherwise about the claim that GST has made the poor to become poorer, as the incidence of poverty has decreased to 0.4 per cent in 2011 last year from 0.6 per cent in 2014.

"But, what is more ironic is that while people blame GST in their so-called de-

fence of the poor, they also want the previous subsidy system to be reinstated.

"It is clear that the preceding blanket subsidy system has benefited the rich more than the poor. A fuel subsidy is a case in point. Who owns more cars? The rich or the poor?"

"And in this sense, their criticisms on GST is also somewhat misplaced. Who consumes more, the rich or the poor?"

His full commentary can be read in the Op-Ed section in today's paper.

 ***And in this sense, their criticisms on GST is also somewhat misplaced. Who consumes more, the rich or the poor?"***

DR IRWAN SHAH ZAINAL ABIDIN

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